

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: Slawson Exploration Company, Inc.
Well Name/Number: Rogue #1-36H
Location: NW NE Section 36 T24N R52E
County: Richland, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time: No, 25-35 days drilling time.

Unusually deep drilling (high horsepower rig): Triple derrick rig to drill a single lateral horizontal Bakken Formation test, 13,741' MD/9,172' TVD.

Possible H2S gas production: Possible H2S.

In/near Class I air quality area: No Class I air quality area.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

Air quality permit (AQB review)

Gas plants/pipelines available for sour gas

Special equipment/procedures requirements

Other: _____

Comments: Triple derrick drilling rig to drill a single lateral horizontal Bakken Formation test, 13,741' MD/9,172' TVD.

Water Quality

(possible concerns)

Salt/oil based mud: Yes to intermediate string hole to be drilled with oil based invert drilling fluids. Horizontal lateral will be drilled with oil based invert drilling fluids. Surface casing hole will use freshwater and freshwater mud system.

High water table: No high water table anticipated.

Surface drainage leads to live water: No, there are unnamed ephemeral tributary drainages to East Redwater Creek, about 1/2 of a mile to the south and 3/8 of a mile to the north from this location.

Water well contamination: None, closest water wells are about 3/4 of a mile to the northwest and about 7/8 of a mile to the southwest from this location. Depth of these stockwater wells range from 40' to 120'. This permitted well will drill surface hole with freshwater to 1550'. Will run 1550' of steel surface casing and cement it to surface.

Porous/permeable soils: No, sandy clay soils.

Class I stream drainage: No, Class I stream drainages.

Mitigation:

Lined reserve pit

Adequate surface casing

Berms/dykes, re-routed drainage

Closed mud system

Off-site disposal of solids/liquids (in approved facility)

Other: _____

Comments: 1550' surface casing well below freshwater zones in adjacent water wells. Also, covering Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None anticipated.

High erosion potential: Yes, location needs a moderate cut, up to 18.5' and a small fill, up to 6.8', required.

Loss of soil productivity: None, location to be restored after drilling well, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, large well site 420'X450'

Damage to improvements: Slight, surface use is grassland adjacent to cultivated fields.

Conflict with existing land use/values: Slight

Mitigation

Avoid improvements (topographic tolerance)

Exception location requested

Stockpile topsoil

Stream Crossing Permit (other agency review)

Reclaim unused part of wellsite if productive

Special construction methods to enhance reclamation

Other: Requires DEQ General Permit for Storm Water Discharge Associated with Construction

Activity, under ARM 17.30.1102(28).

Comments: Access will be over existing county road, #310 and existing ranch/farm trail. Operator will construct about 1270' of new access road into this location off the existing ranch/farm trail. Oil based invert drilling fluids will be recycled. Completion fluids will be trucked to a Class II disposal. Operator will utilize a closed mud system. Cuttings and mud solids will be disposed of in the lined cuttings pit. Cuttings pit will be allowed to dry and then backfilled with subsoil clays. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residences are more than 1 mile in any direction from this location.

Possibility of H2S: Possible H2S.

Size of rig/length of drilling time: Triple drilling rig 25 to 35 days drilling time.

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: _____

Comments: Adequate surface casing cemented to surface with working BOP stack should mitigate any problems.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: No, none.

Conflict with game range/refuge management: No, none.

Threatened or endangered Species: Species identified as threatened or endangered are the Pallid Sturgeon, Interior Lease Tern, Whooping Crane and Piping Plover. Candidate species are the Sprague's Pipit and the Greater Sage Grouse. NH tracker website indicates no species of concern in this area.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

Screening/fencing of pits, drillsite

Other: _____
Comments: DNRC Trust Lands surface grassland, adjacent to cultivated fields. Wellsite is not close to live water. No concerns.

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites: None identified
Mitigation
 avoidance (topographic tolerance, location exception)
 other agency review (SHPO, DSL, federal agencies)
Other: _____
Comments: DNRC Trust Lands surface grassland, Trust Lands will do surface EA.

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: No concerns.

Remarks or Special Concerns for this site

Single lateral horizontal Bakken Formation test, 13,741' MD/9,172'TVD.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/ Steven Sasaki
(title): Chief Field Inspector
Date: March 17, 2011
Other Persons Contacted:
Bureau of Mines and Geology, GWIC website

(Name and Agency)
Water wells in Richland County, Montana

(subject discussed)

March 17, 2011 _____

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA
COUNTIES, Richland County

(subject discussed)

March 17, 2011 _____

(date)

Montana Natural Heritage Program Website

(Name and Agency)

Heritage State Rank= S1, S2, S3 T24N R52E

(subject discussed)

March 17, 2011 _____

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____